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VILLAGE OF PIONEER
Pioneer, Louisiana

**General Purpose Financial Statements
With Accountant's Compilation Report
As of and for the Year Ended
June 30, 1998**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

SEP 23 1998
SEP 23 1998

Release Date _____

VILLAGE OF PIONEER
Pioneer, Louisiana

General Purpose Financial Statements
With Accountant's Compilation Report
As of and for the Year Ended
June 30, 1998

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VILLAGE OF PIONEER
Pioneer, Louisiana
ANNUAL SWORN FINANCIAL STATEMENTS
AND CERTIFICATION OF REVENUES \$50,000 OR LESS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1998

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A F F I D A V I T

Personally came and appeared before the undersigned authority, Evelyn Sandidge, who, duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the Village of Pioneer, as of June 30, 1998, and the results of operations for the year then ended, in accordance with basis of accounting described within the accompanying financial statements.

In addition, Evelyn Sandidge, who, duly sworn, deposes and says that the Village of Pioneer received \$50,000 or less in revenues and other sources for the fiscal year ending June 30, 1998, and, accordingly, is not required to have an audit for the previously mentioned fiscal year-end.


Village of Pioneer

Sworn to and subscribed before me, this 11th day of September, 1998.


NOTARY PUBLIC

Officier: Evelyn Sandidge, Clerk
Village of Pioneer
Address: Post Office Box 153
Pioneer, Louisiana 71266
Telephone: (318) 428-8581

M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

369 DONALDSON ROAD • CALHOUN, LOUISIANA 71225 • TELEPHONE 318/644-5726

Accountant's Compilation Report

MAYOR AND BOARD
OF ALDERMEN
VILLAGE OF PIONEER
Pioneer, Louisiana

I have compiled the accompanying general purpose financial statements as listed in the foregoing table of contents of the Village of Pioneer as of June 30, 1998, and for the year then ended, in accordance with standards established by *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management of the Village of Pioneer. I have not audited or reviewed the accompanying general purpose financial statements and, accordingly, do not express an opinion or any other form of assurance on them.



Calhoun, Louisiana
August 18, 1998

GENERAL PURPOSE FINANCIAL STATEMENTS

VILLAGE OF PIONEER
Pioneer, Louisiana
ALL FUND TYPES AND ACCOUNT GROUP

Combined Balance Sheet, June 30, 1998

	GOVERNMENTAL FUND TYPE - GENERAL FUND	PROPRIETARY FUND TYPE - SEWER ENTERPRISE FUND	ACCOUNT GROUP - GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
ASSETS				
Cash	\$8,204	\$18,023		\$26,227
Receivables (net of allowance for doubtful accounts)	1,663	1,116		2,779
Due from General Fund		7,510		7,510
Meter deposits	200			200
Sewer system plant and equipment (net of accumulated depreciation)		645,263		645,263
Buildings and equipment			\$228,934	228,934
TOTAL ASSETS	<u>\$10,067</u>	<u>\$671,912</u>	<u>\$228,934</u>	<u>\$910,913</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$1,986	\$626		\$2,612
Payroll taxes payable	567	246		813
Due to Sewer Fund	7,510			7,510
Customer meter deposits		1,012		1,012
Total Liabilities	<u>10,063</u>	<u>1,884</u>	<u>NONE</u>	<u>11,947</u>
Fund Equity:				
Investment in general fixed assets			\$228,934	228,934
Contributed capital (net of accumulated depreciation on fixed assets acquired with federal grant)		642,580		642,580
Retained earnings - unreserved		27,448		27,448
Fund balance - unreserved - undesignated	4			4
Total Fund Equity	<u>4</u>	<u>670,028</u>	<u>228,934</u>	<u>898,966</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$10,067</u>	<u>\$671,912</u>	<u>\$228,934</u>	<u>\$910,913</u>

See accompanying notes and accountant's compilation report.

VILLAGE OF PIONEER
Pioneer, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1998

REVENUES	
Taxes - franchise	\$3,480
Occupational licenses	635
Insurance licenses	10,762
Intergovernmental - state funds	5,627
Use of money and property - interest earnings	53
Other revenues	<u>2,767</u>
Total revenues	<u>23,324</u>
EXPENDITURES	
General government - current:	
Personal services and related benefits	8,309
Operating services	9,355
Materials and supplies	1,031
Capital outlay	<u>8,760</u>
Total expenditures	<u>27,455</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(4,131)
FUND BALANCES AT BEGINNING OF YEAR	<u>4,135</u>
FUND BALANCES AT END OF YEAR	<u><u>\$4</u></u>

See accompanying notes and accountant's compilation report.

VILLAGE OF PIONEER
Pioneer, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget
(Cash Basis) and Actual
For the Year Ended June 30, 1998

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Taxes - franchise	\$2,992	\$2,992	
Occupational licenses	635	635	
Insurance licenses	10,582	10,763	181
Intergovernmental - state funds	1,602	1,602	
Use of money and property - interest earnings	65	53	(12)
Other revenues	10,322	10,302	(20)
Total revenues	<u>26,198</u>	<u>26,347</u>	<u>149</u>
EXPENDITURES			
General government - current:			
Personal services and related benefits	9,420	8,288	1,132
Operating services	9,446	9,640	(194)
Materials and supplies	823	772	51
Capital outlay	8,477	8,477	
Total expenditures	<u>28,166</u>	<u>27,177</u>	<u>989</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(1,968)	(830)	1,138
FUND BALANCES AT BEGINNING OF YEAR	<u>9,034</u>	<u>9,034</u>	
FUND BALANCES AT END OF YEAR	<u><u>\$7,066</u></u>	<u><u>\$8,204</u></u>	<u><u>\$1,138</u></u>

See accompanying notes and accountant's compilation report.

VILLAGE OF PIONEER
Pioneer, Louisiana
PROPRIETARY FUND TYPE -
SEWER ENTERPRISE FUND

Statement of Revenues, Expenses,
and Changes in Retained Earnings
For the Year Ended June 30, 1998

OPERATING REVENUES

Sewer fees	\$11,800
Other income	25
Total operating revenues	11,825

OPERATING EXPENSES

Salaries	4,207
Payroll taxes	414
Utilities	1,143
Office supplies	127
Repairs	2,775
Insurance	517
Supplies and chemicals	213
Bank charges	50
Collection fees	1,346
Other dues and fees	23
Lab fees	470
Depreciation	14,929
Total operating expenses	26,214

OPERATING LOSS (14,389)

NON-OPERATING REVENUES - interest income 194

NET INCOME (Loss) (14,195)

Adjustment for depreciation on fixed assets acquired with federal grant	14,549
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NET INCREASE IN RETAINED EARNINGS 354

RETAINED EARNINGS AT BEGINNING OF YEAR 27,094

RETAINED EARNINGS AT END OF YEAR \$27,448

See accompanying notes and accountant's compilation report.

VILLAGE OF PIONEER
Pioneer, Louisiana
PROPRIETARY FUND TYPE -
SEWER ENTERPRISE FUND

Statement of Cash Flows
For the Year Ended June 30, 1998

CASH FLOWS FROM OPERATING ACTIVITIES

Operating Loss	<u>(\$14,389)</u>
Adjustments to Reconcile Operating Loss to Net Cash	
Provided (Used) by Operating Activities:	
Depreciation	14,929
Increase in accounts receivable	(65)
Increase in customer deposits	432
Increase in taxes payable	143
Decrease in accounts payable	<u>(53)</u>
Total adjustments	<u>15,386</u>
Net cash provided by operating activities	997

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Loan to General Fund	(3,510)
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest earnings	<u>194</u>
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NET DECREASE IN CASH

(2,319)

CASH AT BEGINNING OF PERIOD20,342**CASH AT END OF PERIOD**\$18,023

See accompanying notes and accountant's compilation report.

VILLAGE OF PIONEER
Pioneer, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Pioneer was incorporated under the provisions of the Lawrason Act on May 12, 1911. The village operates under a Mayor-Board of Aldermen form of government. The mayor and aldermen serve four-year terms which expire on December 31, 1998. The mayor and board of aldermen serve the village without benefit of compensation. The village has three part-time employees and a chief of police.

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the Village of Pioneer have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial reporting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

B. REPORTING ENTITY

As the municipal governing authority, for reporting purposes, the Village of Pioneer is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (the village), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Village of Pioneer for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria

See accountant's compilation report.

VILLAGE OF PIONEER

Pioneer, Louisiana

Notes to the Financial Statements (Continued)

includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the village to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the village.
2. Organizations for which the village does not appoint a voting majority but are fiscally dependent on the village.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the village has determined that there are no component units that are part of the reporting entity.

C. FUND ACCOUNTING

The village uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term debt) that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate fund types. The fund classifications and

See accountant's compilation report.

VILLAGE OF PIONEER

Pioneer, Louisiana

Notes to the Financial Statements (Continued)

a description of each existing fund type follow:

Governmental Funds:

Governmental funds are used to account for all or most of the village's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

General Fund

The General Fund is the general operating fund of the village. It accounts for all financial resources, except those required to be accounted for in other funds.

Proprietary Funds

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include the Sewer Enterprise Fund which is used to account for the operations of the village's sewer system. The operations are financed and operated in a manner similar to private business enterprise, where the intent of the village is that the cost (expenses, including depreciation) of providing service to the general public on a continuing basis be financed or recovered primarily through user charges.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The modified accrual basis of accounting is used for reporting all governmental fund types. The governmental funds use the following practices in recording revenues and expenditures:

See accountant's compilation report.

VILLAGE OF PIONEER

Pioneer, Louisiana

Notes to the Financial Statements (Continued)

Revenues

Franchise taxes and intergovernmental revenues are recorded when the village is entitled to the funds.

Interest income on bank deposits is recorded when the interest has been earned and the amount is determinable.

Substantially all other revenues are recorded when they are received by the village.

Based on the above criteria, franchise taxes and intergovernmental revenues have been treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

The Sewer Enterprise Fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of the fund are included on the balance sheet. The Sewer Enterprise Fund uses the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

E. BUDGET PRACTICES

A proposed budget for the General Fund, prepared on the cash basis of accounting, is presented to the board of aldermen in June each year. The budget then is legally adopted by the board of aldermen and amended during the year as necessary. Budgets are established and controlled by the board at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

Formal budgetary integration is not employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and subsequent amendments.

See accountant's compilation report.

VILLAGE OF PIONEER
 Pioneer, Louisiana
 Notes to the Financial Statements (Continued)

Statement C in the accompanying financial statements presents comparisons of the legally adopted General Fund budget with actual data on the budgetary basis. Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of resultant basis, timing, and perspective differences in the excess (deficiency) of revenues over expenditures for the year ended June 30, 1998 is presented below:

Excess (deficiency) of revenues over expenditures as reported on Statement C (budget basis)	
Adjustments:	(\$830)
Receivable adjustments	433
Interfund loan adjustment	(3,510)
Accounts and payroll taxes payable adjustment	<u>(224)</u>
Excess (deficiency) of revenues over expenditures as reported on Statement B (GAAP basis)	<u>(\$4,131)</u>

F. CASH

Cash includes amounts in interest-bearing demand deposits. Under state law, the village may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, transactions which occur between individual funds are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as due to/from other funds.

H. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed asset account group. Public domain or infrastructure general fixed assets such as

See accountant's compilation report.

VILLAGE OF PIONEER

Pioneer, Louisiana

Notes to the Financial Statements (Continued)

roads, sidewalks, bridges, and drainage systems are not capitalized. No depreciation has been provided on general fixed assets. All general fixed assets at June 30, 1998 are valued at actual cost.

The fixed assets used in the proprietary fund type operations are included on the balance sheet of the fund net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by the proprietary fund type operations is charged as an expense against operations. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

Sewer system	50 years
Equipment	10 years

I. VACATION AND SICK LEAVE

The village has only part-time employees. There is no vacation or sick leave granted; therefore, there is no liability for compensated absences.

**J. TOTAL COLUMN ON THE
COMBINED STATEMENT**

The total column on the combined statement is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position nor results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. CASH

At June 30, 1998, the village has cash in interest-bearing demand deposits (book balances) totaling \$26,227. These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. Deposit balances at June 30, 1998, are fully secured by federal deposit insurance.

See accountant's compilation report.

VILLAGE OF PIONEER
Pioneer, Louisiana
Notes to the Financial Statements (Continued)

3. RECEIVABLES

The following is a summary of receivables at June 30, 1998:

	General Fund	Sewer Enterprise Fund	Total
Franchise taxes	\$585		\$585
Intergovernmental revenue - state funds	157		157
Accounts	921	\$1,288	2,209
Allowance for doubtful accounts		(172)	(172)
Total	<u>\$1,663</u>	<u>\$1,116</u>	<u>\$2,779</u>

The allowance for doubtful accounts of \$172 is an estimate of the June 1998 sewer fee billing that will not be collected.

4. FIXED ASSETS

The following presents changes in general fixed assets for the year ended June 30, 1998:

	Balance at July 1, 1997	Additions	Retirements	Balance at June 30, 1998
Buildings and improvements	\$16,120	\$8,680		\$24,800
Other improvements	88,740			88,740
Office equipment	5,288	80		5,368
Equipment	110,026			110,026
Total	<u>\$220,174</u>	<u>\$8,760</u>	<u>NONE</u>	<u>\$228,934</u>

A summary of proprietary fund type property, plant, and equipment at June 30, 1998, follows:

	Basis	Accumulated Depreciation	Net Book Value
Sewer system	\$727,450	(\$84,870)	\$642,580
Equipment	3,798	(1,115)	2,683

See accountant's compilation report.

VILLAGE OF PIONEER

Pioneer, Louisiana

Notes to the Financial Statements (Continued)

	<u>Basis</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Total	<u>\$731,248</u>	<u>(\$85,985)</u>	<u>\$645,263</u>

5. PENSION PLAN

The employees of the village are members of the Social Security System. In addition to the employee contributions withheld at 7.65 per cent of gross salary, the village contributes an equal amount to the Social Security System. The village does not guarantee the benefits granted by the Social Security System.

6. CONTRIBUTED CAPITAL

In 1988, the village received a grant totaling \$727,450 from the United States Department of Housing and Urban Development to finance the construction of the village sewer system. The grant amount, shown as contributed capital on the balance sheet, is reduced each year by the amount of depreciation expense recognized on fixed assets constructed or acquired with the grant funds. At June 30, 1998, accumulated depreciation on these assets is \$84,870.

7. LITIGATION, CLAIMS, AND RISK OF LOSS

The village is not involved in any pending or threatened litigation, claims, or assessments at June 30, 1998. The village maintains commercial insurance to provide protection against losses resulting from the damage or destruction of property or liability claims against the village.

See accountant's compilation report.